

PARADISE SEWER REGIONALIZATION PROJECT ADVISORY COMMITTEE (SRPAC)

**FINAL COMMITTEE MEETING MINUTES
MONDAY, 11 OCTOBER 2021**



COMMITTEE MEETING LOCATION: TOWN OF PARADISE (Also broadcast over Zoom for viewing)

COMMITTEE MEMBERS PRESENT:

Paradise Mayor Steve Crowder
Paradise Vice Mayor Jody Jones

Chico Vice Mayor Kasey Reynolds

COMMITTEE MEMBERS ABSENT:

Chico Mayor Andrew Coolidge

TOWN OF PARADISE STAFF PRESENT:

Kevin Philips, Town Manager
Marc Mattox, Town Engineer and Public Works Director
Ashley Stanley, Principal Engineer
Scott Hubber, Town Attorney

CITY OF CHICO STAFF PRESENT:

Mark Orme, City Manager
Erik Gustafson, Public Works Director

CENTRAL VALLEY WATER BOARD STAFF PRESENT:

Clint Snyder
Bryan Smith
David Durette (Zoom)

ADDITIONAL ATTENDEES PRESENT WHO WERE IDENTIFIED:

John Buttz and Leslie Tice (HDR Engineering) – Consultants for Town of Paradise
Brendan Ottoboni (Psomas Engineering) – Consultant for City of Chico

AGENDA ITEM 1 - INTRODUCTIONS

At 1:00 p.m. Clint Snyder called the meeting to order, stated the purpose of the meeting and organizational structure of the meeting, provided an overview of attendance options and procedures, and facilitated introductions. This is an in-person meeting in the Town of Paradise Council Chambers and is being broadcast for listen-only on the Zoom platform. Mr. Snyder introduced Water Boards staff present, Mr. Phillips introduced Town of Paradise staff present, and Mr. Orme introduced City of Chico staff present.

Mr. Snyder noted that copies of the meeting agenda and past minutes were available in hard copy in the room. Mr. Snyder also described a revised meeting procedure to allow more timely opportunity for public comment at the meeting, as had been requested by the SRPAC members. Mr. Mattox stated that the most recent version of the Principles of Agreement (POAs) is in the agenda package and will continue to show the progression of capturing draft and final language discussed at prior meetings, as well as proposed language from staff suggestions.

AGENDA ITEM 2 – PUBLIC FORUM

No speakers. One comment received via email requesting to be added to email list. Mr. Mattox stated he would reach out and add the person to the interested parties list.

AGENDA ITEM 3 – APPROVE PREVIOUS MEETING MINUTES

Committee unanimously approved August 9, 2021 meeting minutes. Will be posted final to the internet.

AGENDA ITEM 4 – COMMITTEE MEMBER COMMUNICATION

Ms. Jones, Mr. Crowder, Ms. Reynolds – None noted.

AGENDA ITEM 5 – STATUS UPDATES

A. ENVIRONMENTAL IMPACT REPORT

Ms. Tice, HDR Engineering, provided an update on the project's EIR. The draft EIR is on track for early 2022. Late summer/early fall for final EIR. Ms. Jones noted that a Paradise Post newspaper article had stated that the administrative draft had already been released. Ms. Tice stated that the article was inaccurate and that the draft had not yet been released, and that even a draft for staff circulation had not yet been completed. Mr. Mattox stated that he would contact the Post to provide clarification. Field studies are being finalized. Environmental analysis is progressing and identified impacts are being avoided through design considerations. Continued engagement with stakeholders including Tribal consultation. Areas of analysis include collection system, export pipeline, connection to Chico plant, extension of service area through LAFCO, project alternative for routing, cumulative activities. Information available on project website. No questions from SRPAC members.

B. COOPERATIVE FUNDING AGREEMENT (CFA) SCOPE OF WORK

City of Chico consultants, Carollo Engineering, meeting regularly with staff at Town and City working through study scope. Met earlier that day. In data collection and

technical evaluation. Fully studying impacts to Chico's WWTP. Progressing on schedule. Deliverables planned in next several months.

C. OTHER FOLLOW-UP ACTION ITEMS FROM SRPAC

None.

D. PUBLIC COMMENTS ON ITEMS 5A THROUGH 5C.

None.

AGENDA ITEM 6 – PRINCIPALS OF AGREEMENT WORKING SESSION

Mr. Buttz facilitated Committee working session on continued development and refinement of the Principals of Agreement (POA). The POA will serve as an outline for an inter-municipal agreement should the project be approved and follows City of Chico code requirements for considering regional projects. Mr. Buttz explained that there have been several Town and City staff meetings since the last Committee meeting to develop draft language for Committee discussion and consideration. Further, that the Committee will revisit each of the POA topics multiple times through the document's development process. The first eight items come directly from the City of Chico Municipal Code, then an additional four items not in the municipal code but important for this agreement. Copies of the working document are available at the meeting.

1. Sewer Use Ordinance –

No new discussion or changes.

2. User Inventory –

Last meeting the SRPAC asked for staff to propose language stating the intent to prohibit future connections outside of Town or City limits. Ms. Jones says she likes the proposed language and that she felt it captures what the committee wanted. Mr. Crowder indicated agreement.

3. Pretreatment –

No new discussion or changes.

4. Pretreatment Data Access –

No new discussion or changes.

5. Wastewater Limits -

Waiting for additional information to propose draft language.

6. Wastewater Monitoring –

One decision is who should conduct the monitoring; city staff or town staff. Developed much of the proposed language during last meeting. Some level of monitoring needed at upper end of pipeline. One of the public comments previously was in regards to this. Last meeting it was discussed and agreed that monitoring was needed. A flow meter and monitoring would occur just before connection to the plant. Also, some advantage to monitoring up in Paradise. One advantage would be detecting a dump of chemicals and providing time to react and divert at the plant. Other operational advantages too. Reynolds commented that negotiating annually might be rough. John clarified that the draft language intended that it would be negotiated up front and paid annually and that he would clarify that wording. Edits look good to all SRPAC present. Mr. Buttz noted that some of the next items require atty input and are placeholders for now and no new discussion or changes are proposed at this time.

7. Access to Facilities –

No new discussion or changes.

8. Remedies for Breach of Agreement

No new discussion or changes.

9. Connection Fees –

No new discussion or changes.

10. Monthly User Fees –

This item needs input from City and Corollo. Plan to get through everything else and come back to this item. Mr. Buttz noted that City doesn't currently break fee out into collection and treatment separately and would need to do that for the future. Proposal is that the Town would pay a user fee based on the treatment costs to the City. Additionally, Town users would pay a fee for collection system operations to the Town. Ms. Jones asked if Town users would have to make two payments. Mr. Buttz noted that later text in the POA discusses how to pay. The Town would collect payments and submit to city. Need to determine if this would be monthly or quarterly. Pay one bill with two line items. Town would have responsibility to collect unpaid bills. Ms. Reynolds stated that it makes the most sense from the City perspective. Ms. Jones agreed. Mr. Snyder noted that this language is for a high-level framework; next steps would include drafting contractual language with attorneys from the Town and City. Ms. Jones said she was fine to adopt these two paragraphs as draft. Mr. Crowder agreed.

Mr. Buttz introduced topic; how should future rate updates be handled? Proposed text regarding increases to fees is included. Ms. Jones asked about

process for raising fees considering the Prop 218 process. Mr. Ottoboni stated that for Chico, the Council adopts the rate, then ballots go out to users. If no greater than 50% oppose, then the rate adjustment goes into effect. Ms. Jones confirmed that it gives plenty of process for public input and asked to please add some language to clarify the process and how it would be handled. Ms. Reynolds stated that increases in rates also hits Chico residents, so it's not like Chico would just raise rates on Paradise users alone. Mr. Snyder summarized requested edits. Staff will redraft language.

Mr. Buttz noted that there were a few other comments/questions previously, including the theoretical possibility that money could be generated associated with the project in the future, such as for power generation from pipeline energy. Also recycled water. He stated that power generation would not likely be practical, and that it may not be necessary to include discussion on this in the POA. The same is true for recycled water. Monthly fees common between City and Town (enterprise fund), with money generated going back into fund and both users would benefit. So this issue is covered and there may be no need to specifically address. Maybe just include language noting that. Mr. Snyder suggested just focusing on getting principles down and then the attorneys will go on to draft more specific language. Ms. Jones prefers to leave some language in the POAs so others can see what they discussed. Ms. Reynolds agrees. Mr. Crowder agrees; yes include language. No additional discussion or changes.

11. Operation and Maintenance (O&M) of Facilities –

Suggested staff text states that Town will own export pipe and will be responsible for all O&M, except wastewater monitoring efforts discussed previously. Mr. Snyder noted that splitting bill into collection system and treatment parts will give Town the ability to adjust collection system fees to cover their maintenance activities. No comments from committee. All OK. Move this language into draft.

12. Term and Termination of the Agreement –

Language to be developed.

13. "Revisit" Clause –

Mr. Buttz stated that a couple of meetings ago a revisit clause to allow for evolution of roles and responsibilities as years go on was mentioned. For example, what about in the future if Town decides to run its own Pretreatment program? We will get input from Town and City attorney to craft this clause.

Following discussion of the existing POA items, Mr. Buttz brought up a university article that he found. It included four items that might be good to include in POA.

The first new one is about the service area boundary. You don't want ambiguity about current and future boundaries. Connections only allowed in Town or City limits. Mr. Snyder

noted that a sphere of influence can change, and to clarify that these can change over time. Ms. Jones agrees that it is a good idea to include language and liked what is proposed, and that yes, it should be town limits. Ms. Reynolds agrees; Town or City limits as they evolve over time.

The second item was about noticing requirements for fee changes. When, when, and why rates can change. Prop 218 includes noticing for public information and input. Also there would be communication between City and Town as City goes through any rate changes. Ms. Jones stated that the previous language proposed above for Prop 218 will take care of part of this and asked if the City has procedures on when notification would occur. Mr. Orme explained that California already has restrictive rules in place and Prop 218 already requires notice to ratepayers, etc. Mr. Snyder asked if there should be a mechanism to give a heads up earlier in the process, or closer coordination between the City and the Town? Ms. Jones said that was a good point and that the Town wouldn't want to find out just when citizens get Prop 218 notices, so maybe some language should be included about making intentions known earlier. Mr. Orme stated that if the City is considering fee modifications then they could come to the Town to notify council and explain why and what the timeline is, and provide update as a partner. Like how they handle waste hauling franchise. Ms. Reynolds wanted to be sure that it wouldn't be a big cost in staff time to provide this level of communication and asked staff to confirm that it wouldn't be a big deal or need to happen too often. Mr. Orme confirmed that he didn't think it would be a big deal and that they would do that anyway.

The third item was about handling inflow and infiltration (I/I). Mr. Buttz explained that sewers are not always water-tight and can let water in or out. This can be a problem, especially with older systems. This system would be new, but the agreement would be long term. Mr. Mattox stated that monitoring at top and bottom of system would indicate if there is a problem. Chico would want to know because the volume to be treated is important and is what fees are based on. Staff to come up with some proposed language for next time.

The fourth item was about resolving conflicts and disagreements. This is typical to include in any contract. All agree that the attorneys can give input on this, and that it is a good idea to include.

AGENDA ITEM 6a – PUBLIC FORUM

Linda Stone (RCAC) representative asked about level of detail for O&M of termination structure. She asked about how the shared operation of this would work and the terms of the agreement. It is not clear who is responsible for what. WWTP staff would have more expertise. Also noted that the termination structure could have to handle inflow and infiltration (I/I) over time. It would be a good idea to have definition of responsibility for that. Mr. Buttz stated that it may be best for the Town to look for the City to take this on, with reimbursement to the City, due to their expertise. Yes, it should be clear on where responsibilities start/stop. No other comments, including from online.

Mr. Buttz asked to talk a bit about future steps into next year. It would be good to get a specific schedule together. One key item is to identify the steps for the SRPAC to take to move from draft POA that they will finish with, to a signed agreement by both councils, with

approved agreements. Work by SRPAC, then to the attorneys for Town and City, then to the councils again. What type of process would make this most streamlined? Ms. Jones thinks that you first get agreement on POA from both full councils, so that you have good expectation for everyone to be in agreement with the final documents after legal, and then bring back to full councils. That would give any members of the public who haven't been in these discussions a chance to comment. Ms. Reynolds stated they could put out a public notice for the council meetings. Mr. Mattox stated that he likes this approach and that they would also get legal staff input. Mr. Orme nods yes too. Mr. Buttz noted that each council could have suggested language changes. SRPAC acts like conference committee to craft final proposed language for final POA. Ms. Reynolds suggested just waiting for legal input and go from there. Ms. Jones agrees with Ms. Reynolds and doesn't think that comments will be too huge or substantive. Also, we could just put those comments into the interagency agreement (IA) for approval and wouldn't need to do a two-step process with POA and then IA too. Mr. Snyder suggested bringing a proposal for next time for this process for agreement. Ms. Reynolds requested that the draft IA be brought to SRPAC first. Chico staff say that's fine with them. Mr. Crowder asked for Mr. Philips (online) input, and Mr. Philips stated that it all sounds good and workable.

AGENDA ITEM 7 – CLOSING COMMITTEE REMARKS

Committee members expressed appreciation for a good meeting and for the progress being made. Location for next meeting is in Chico on December 13th.

ADJOURNMENT

Mr. Snyder adjourned the Committee meeting at 2:30pm.